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This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

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Highlights



1. Defeat the Terrorists and Neutralize the Insurgents

On June 7, Coalition forces killed al-Qaida terrorist leader Abu Musab Al-Zarqawi and one of his key lieutenants, spiritual advisor Sheik Abd-Al-Rahman.

2. Transition Iraq to Security Self-Reliance

The 1st Iraqi Army Division assumed control of territory in the vicinity of Habbaniyah on June 2 in the first division-level transfer of responsibility in Al Anbar province. Additionally, the Iraqi National Police assumed security responsibility for the city of Al Hillah on May 31.

- 3. Help Iraqis to Forge a National Compact for Democratic Government Iraqi Prime Minister Nuri al-Maliki said on June 6 he would release 2,500 prisoners with no clear evidence against them or who were mistakenly detained.
- 4. Help Iraq Build Government Capacity and Provide Essential Services Rehabilitation was completed on the Mahalla electrical network in Kharkh, Baghdad Province. The \$985,000 US Army funded project was completed on May 28. The project required the installation of a new low voltage electrical distribution network in the Mahalla 216 area, which will benefit approximately 20,000 residents.

Highlights



5. Help Iraq Strengthen Its Economy
USAID awarded a cooperative agreement for Community Stabilization to a consortium led by the NGO International Relief and Development (IRD).

6. Help Iraq Strengthen the Rule of Law
The Iraqi Police Service completed the three-week Officers Transitional
Integration Program and graduated 37 students in Baghdad and Mosul. The
Iraqi Police Service also trained 181 police officers in advanced and specialty
courses held at the Baghdad Police College.

7. Increase International Support for Iraq
The United Nations Assistance Mission in Iraq (UNAMI) voiced deep concern about continuing acts of violence committed against innocent civilians in the country – most recently the deadly attack on the Russian Embassy staff.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents

Prime Minister Maliki announced the death of Abu Musab al-Zarqawi, the leader of Al Qaida in Iraq, saying that his death was "the result of the fruitful cooperation we have often requested from our masses, citizens, and the sons of our people, who cooperated in giving information and facilitating the operation by Iraqi Police and the multinational forces in directing the fatal, precise blow."

[1.] Defeat the Terrorists and Neutralize the Insurgency



Iraqi and Coalition Forces Kill, Detain Terrorists:

- Coalition forces killed al-Qaida in Iraq terrorist leader Abu Musab al-Zarqawi and one of his key lieutenants, spiritual advisor Sheik Abd-al-Rahman, June 7 in an air strike against an identified safe house near Baqubah in Diyala province. Zarqawi was the operational commander of the terrorist operations in Iraq and was responsible for car bombings, assassinations, and suicide attacks that killed many American service members and thousands of innocent Iraqis.
- In a series of precision raids on June 1, Iraqi forces killed an insurgent financier responsible for bankrolling insurgent activities and captured two cell leaders responsible for attacks in the Baghdad districts of Ghazaliyah and Doura. Both leaders were Al Qaida-trained operatives who previously fought against US forces in Afghanistan.

Iraqi Army (IA) Captures 19 Terrorists in Adhamiyah:

 The IA 2nd Brigade, 6th Division planned and executed an intelligence based, precision cordon and search mission early on June 3, capturing 19 suspected terrorists in the Adhamiyah district of east Baghdad and disrupting the Anti-Iraqi Force's operational ability in the region.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Iraqi Army Takes Over Territory at Camp Habbinyah:

 The 1st Iraqi Army Division assumed control of territory in the vicinity of Habbaniyah on June 2 in the first division-level transfer of responsibility in Al Anbar province.

Iraqi National Police Assume Control of Al Hillah:

 The Iraqi National Police 3rd Brigade assumed responsibility for the city of Al Hillah in a ceremony at Forward Operating Base Charlie on May 31.

Iraqi Police Graduate Thousands from Basic and Advanced Training:

- The Iraqi Police graduated 2,757 police recruits from its 10-week basic training courses in Mosul, Najaf, Sulaymaniyah, and Jordan in May.
- 1,009 police officers graduated from advanced and specialty courses in Baghdad and Irbil during May. Courses ranged from Advanced Criminal Investigations, Intelligence Analysis, and Internal Affairs Investigations.

IA Soldiers Graduate from Medical Logistics Course:

 22 Iraqi soldiers graduated from the Iraqi Army Services and Support Institute's Medical Logistics Course (IASSI) at Taji on May 22. The course is part of a larger program to help the IA overcome the challenge of logistically supporting itself.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	102 400
HIGHWAY PATROL	~103,400
OTHER MOI FORCES	~44,800
TOTAL	~148,200*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	~116,000***
AIR FORCE	~600
NAVY	~800
TOTAL	~117,400**

Total Trained & Equipped ISF:

~265,600****

- * Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers
- *** Army numbers include Special Operations Forces and Support Forces
- **** Does not include the approximately 144,000 Facilities Protection Service personnel working in 27 ministries

Data as of June 7, 2006 (updated bi-weekly by DOD)

[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



Defense and Interior Ministers Remain Unnamed:

 Iraqi Prime Minister Nuri al-Maliki is still working out an agreement on filling two key security posts, the only posts that remain unnamed. Council of Representatives (CoR) scheduled a session June 8 to resolve the stalemate over the candidates to run the two Ministries.

Prime Minister Remains Tough on Disbanding Militias:

Iraqi Prime Minister Nuri al-Maliki said on June 6 he would release 2,500
prisoners with no clear evidence against them or who were mistakenly detained,
in a move to help reach national reconciliation. Maliki stated: "We hope they will
abide by not violently objecting to the political process. This is a strong move
which will encourage others."

Prime Minister Speaks on Violence:

• Prime Minister Nuri al-Maliki pledged on June 6 to push ahead with efforts to curb sectarian and militia violence after a series of brazen attacks. "The parties that are against the political process have increased their bloody operations to derail and bring down the national unity government, but, God willing, they will lose," he said at a news conference. He also said his security plan for Baghdad had been ratified and would soon be implemented, and he said another plan was in the works for volatile Diyala province.

[3.] Help Iraqis to Forge a National Compact for Democratic Government - Iraqi National Unity Government

al-Hashimi



UNCLASSIFIED

President Deputy President Jalal Talabani **Deputy President** Tariq al-Hashimi 'Adil 'Abd al-Mahdi **Prime Minister Deputy Prime Minister** Nuri al-Maliki **Deputy Prime Minister** (F) = Female **Barham Salih** Salam al-Zawba'i **Minister of Displacement** Minister of Minister of Minister of **Minister of Defense Minister of Culture** & Migration **Electricity** Communications **Agriculture** As'ad Kamal Salam al-Zawba'l Abd al-Samad Rahman Muhammad Tawfig **Karim Wahid** Muhammad Abdallah al-Ya'rub Nathim (acting) Sultan Allawi Hashimi **Minister of Higher** Minister of Minister of Minister of Foreign Minister of Finance **Minister of Health Education Environment** Education **Affairs** Khudayyir al-Khuza'i Narmin 'Uthman (F) Bayan Jabr Hoshyar Zebari Ali al-Shammari Abd Dhiyab al-Ajili Minister of Human Minister of Labor & **Minister of Industry** Minister of Minister of Housing & Minister of Justice **Social Affairs Rights** Interior Construction & Minerals **Mahmud Muhammad** Wijdan Mikha'il (F) Fawzi al-Hariri Nuri al-Maliki (acting) Hashim al-Shibli Bayan Daza'l (F) Jawad al-Radi Minister of Minister of Science & **Minister of Municipalities** Minister of **Minister of Oil Minister of Trade** & Public Works **Planning Technology Transportation** Abd al-Falah al-Husayn al-Karim Mahdi Salih Ali Baban Ra'id Fahmi Jahid Riyad Ghurayyib Shahrastani Sudani **Minister of Water** Minister of Youth & Minister of State for Minister of State for Minister of State for National **National Dialogue Affairs Security Affairs** Resources **Sports Civil Society** 'Abd al-Latif Rashid Jasim Muhammad Ja'far Adil al-Asadi Akram al-Hakim Barham Salih (acting) Minister of State for Minister of State for Minister of State for **Minister of State for** Minister of State for **CoR Affairs Foreign Affairs Governorates Affairs Tourism and Antiquities** Women's Affairs Safa al-Safi Fatin Abd al-Rahman Sa'd Tahir Abd Khalaf Liwa Sumaysim Rafi Hiyad al-Isawi

Mahmud (F)

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2



(Millions of USD)

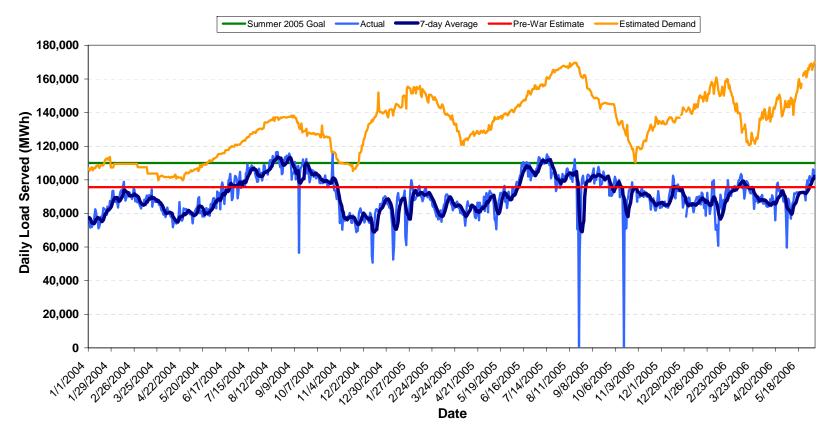
(WITHOUS OF USD)	Apport	ioned	(Committed			Obligated			Disbursed	
Sector	2207 Report	Apportion	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law Enforcement	\$5,036.00	\$5,036.00	\$4,994.26	\$4,963.54	-\$30.72	\$4,911.72	\$4,948.99	\$37.27	\$4,519.43	\$4,522.81	\$3.38
Electricity Sector	\$4,220.02	\$4,220.02	\$4,029.56	\$4,064.72	\$35.16	\$3,518.99	\$3,555.87	\$36.88	\$2,205.05	\$2,208.96	\$3.90
Oil Infrastructure	\$1,724.70	\$1,735.60	\$1,694.57	\$1,690.86	-\$3.70	\$1,607.79	\$1,626.96	\$19.17	\$953.71	\$961.43	\$7.72
Justice, Public Safety and Civil Society	\$1,340.90	\$1,315.95	\$1,253.44	\$1,257.03	\$3.58	\$1,213.34	\$1,211.84	-\$1.49	\$851.39	\$852.59	\$1.20
Democracy	\$1,013.85	\$1,033.85	\$983.99	\$982.10	-\$1.90	\$983.88	\$981.83	-\$2.05	\$733.56	\$740.81	\$7.25
Education, Refugees, Human Rights, Governance	\$410.00	\$410.00	\$359.67	\$354.67	-\$4.99	\$353.74	\$353.83	\$0.09	\$273.48	\$273.53	\$0.05
Roads, Bridges and Construction	\$333.71	\$333.71	\$318.04	\$320.32	\$2.28	\$313.33	\$316.39	\$3.06	\$181.56	\$181.86	\$0.31
Health Care	\$746.30	\$739.00	\$709.49	\$709.75	\$0.26	\$653.20	\$661.23	\$8.03	\$488.75	\$488.45	-\$0.30
Transportation and Communications	\$469.11	\$465.51	\$445.82	\$450.12	\$4.30	\$422.90	\$426.15	\$3.26	\$280.23	\$280.23	\$0.00
Water Resources and Sanitation	\$2,131.08	\$2,131.08	\$1,940.67	\$1,965.73	\$25.07	\$1,608.25	\$1,643.75	\$35.49	\$1,088.79	\$1,098.90	\$10.11
Private Sector Development	\$805.28	\$805.28	\$799.78	\$799.78	\$0.00	\$794.02	\$794.02	\$0.00	\$640.59	\$654.21	\$13.62
Admin Expense (USAID, STATE)	\$213.00	\$213.00	\$212.44	\$212.44	\$0.00	\$212.44	\$212.44	\$0.00	\$101.19	\$101.19	\$0.00
Total	\$18,443.95	\$18,439.00	\$17,741.72	\$17,771.05	\$29.33	\$16,593.58	\$16,733.29	\$139.72	\$12,317.74	\$12,364.27	\$46.53
IRRF II Construction			\$10,185.99	\$10,182.42	-\$3.56	\$9,288.19	\$9,372.98	\$84.79	\$6,450.63	\$6,472.26	\$21.62
IRRF II Non-Construction			\$6,571.74	\$6,606.53	\$34.79	\$6,321.51	\$6,378.48	\$56.97	\$5,133.55	\$5,153.55	\$20.01
IRRF II Democracy			\$979.82	\$982.10	\$2.28	\$979.55	\$981.83	\$2.28	\$733.56	\$740.81	\$7.25
IRRF I Total	\$2,473.30	\$2,473.30	\$2,473.30	\$2,473.30	\$0.00	\$2,231.4	\$2,231.4	\$0.00	\$2,131.70	\$2,131.70	\$0.00
Grand Total IRRF I & II	\$20,917.25	\$20,912.30	\$20,215.02	\$20,244.35	\$29.33	\$18,824.98	\$18,964.69	\$139.72	\$14,449.44	\$14,495.97	\$46.53

As of June 6, 2006

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Electricity availability in Baghdad increased significantly in the last week (May 30 June 5, 2006) with an average of 8.4 hours per day. Availability is increasing with improved performance by area power plants.
- Nationwide average electricity availability stayed about the same at 11.3 hours per day.
- Iraq's estimated countrywide demand hit a new maximum this week with increased seasonal temperatures.

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• Electricity output since the start of 2006 is 6 percent higher than it was for the same period in 2005.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Water and Sanitation



Water:

- Construction was completed on the Riyadh water treatment project in Tameen Province. The \$563,000 US Army funded project constructed an operator room, storage room and perimeter wall. In addition, it installed three compact water units with additional distribution pipelines in the villages of Safra, Elawee Saad, and Daood Elwaka. The project provides water to approximately 200,000 residents.
- A nine-person Iraqi delegation comprised of representatives from the Ministry of Water Resources, the Ministry of Environment, and the Ministry of Foreign Affairs participated in a bilateral meeting with their counterparts in Turkey on May 24. The two countries discussed the exchange of information on their shared water resources, the Tigris and Euphrates Rivers. This meeting was the first technical level meeting held between the countries since the early 1990s and represents an important first step in developing a regular dialogue on management of the rivers. Both the Turkish and Iraqi delegates characterized the meeting as very positive.

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[4.] Help Iraq Build Government Capacity and Provide Essential Services – Water and Sanitation



Water continued:

- IRMO-Water (Iraq Reconstruction Management Office) at Embassy Baghdad completed assessments of the national water and sewage laboratories for the Ministry of Municipalities and Public Works and the central water laboratory for the Baghdad municipality to determine equipment and material needs. The assessment identified over \$2 million in equipment and materials needed that will be procured using the Iraq Reconstruction and Relief Fund (IRRF).
- The Ministry of Municipalities and Public Works (MMPW) signed the Project Partnership Agreement with the US Army Corps of Engineers Gulf Region Division for remaining work on the Baladrooz water supply project, which will provide drinking water to approximately 55,000 Iraqis in the Baladrooz district of Diyala Province. The MMPW continues to coordinate with the Ministry of Finance on the establishment of a revolving fund account.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Education and Electricity



Education:

 Construction was completed on the AI Escanddrona School in Karadah, Baghdad Province. The \$87,000 US Army funded project was completed on May 24. The project required the renovation, repair and upgrade of existing architectural features, plumbing, mechanical and electrical systems, which will benefit approximately 450 children.

Electricity:

 Rehabilitation was completed on the Mahalla electrical network in Kharkh, Baghdad Province. The \$985,000 US Army funded project was completed on May 28. The project required the installation of a new low-voltage electrical distribution network in the Mahalla 216 area, which will benefit approximately 20,000 residents.

[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation



Oil Update:

- Crude oil prices in world markets for the week ending June 2 closed with the following prices:
 - Basra Light at \$61.90/barrel

- Dated Brent at \$69.37/barrel

WTI Cushing at \$71.50/barrel

- Oman/Dubai at \$65.00/barrel

Employment Update:

• The following chart shows the number of Iraqis employed by USG-administered projects:

Employing Organization	Iraqis Last Week	Iraqis This Week	%Increase on Week
PCO (Project and Contracting Office)	28,583	29,886	4.56%
USAID	47,249	46,732	-1.09%
AIRP (Accelerated Iraqi Reconstruction Program)	1,158	1,158	0.00%
MILCON (Military Construction)	286	434	51.75%
CERP*	9,196	10,675	16.08%
MNSTC-I	8,231	7,982	-3.03%
IRRF NON-CONSTRUCTION	15,478	15,455	-0.15%
GRAND TOTAL	110,181	112,322	1.94%

^{*} CERP employment numbers are representative of Baghdad only.

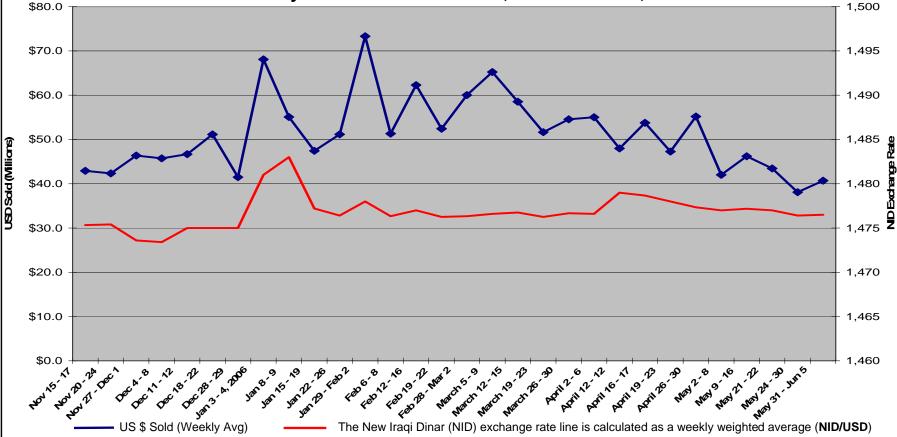
[5.] Help Iraq Strengthen Its Economy - Banking Sector



Central Bank's US Dollar (USD) Currency Auction:

 The following table shows volume sold and exchange rates for USD in the Iraqi currency auction since November 15, 2005. The dinar remained stable against the dollar this week, ending at 1,477 dinars per USD on June 5.

Central Bank of Iraq
USD Currency Auction: November 15, 2005 – June 5, 2006



[5.] Help Iraq Strengthen Its Economy – Securities Markets

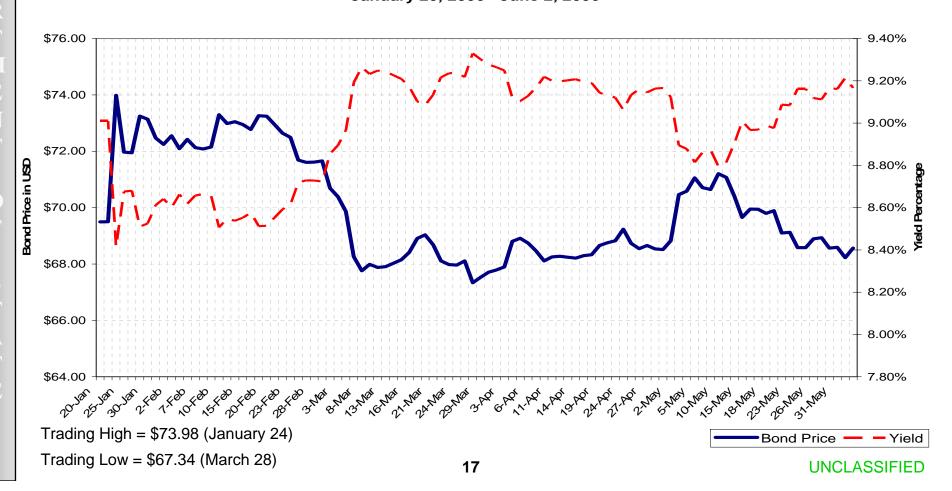


Trading of Iraqi Bonds on the International Secondary Bond Market:

The following table shows the daily bond resale price and yield on Iraqi bonds issued January 20. The bonds were originally issued to about two-thirds of Iraq's commercial creditors as part of a debt exchange arrangement at Paris Club terms. Iraq's commercial debt was approximately \$22 billion before the debt-swap arrangement. The bonds, which are not yet rated, will mature in 2028. The bonds' current yield of 9.17 percent remains one of the highest in the world for sovereign debt instruments.

Iraqi Commercial Bond Sales

January 20, 2006 - June 2, 2006



[5.] Help Iraq Strengthen Its Economy – Economic Programs



Economic Stabilization:

- USAID's Office of Transition Initiatives (OTI) has concluded its programs in Iraq as USAID shifts to a more medium- and long-term community stabilization program. Since 2003, OTI provided over 5,000 grants ranging from a few hundred dollars to around \$250,000. Each grant was designed to be in-kind and of no more than a 90-day duration, have an immediate impact and fill critical gaps. For example, in Baghdad Governorate, OTI made 1,908 grants totaling \$166 million, which generated 335,542 man-months of work; of this total, 113,057 man-months of work were in Sadr City.
- USAID awarded a cooperative agreement for Community Stabilization to a consortium led by the NGO International Relief and Development (IRD), a current USAID partner for the Community Action Program in Iraq. The agreement's objective is to promote economic and social stability in communities prone to insurgent influence and activity by
 - a) improving employment and business opportunities through jobs, vocational training and grants;
 - b) integrating disenfranchised youth into their communities through accelerated learning programs and life-skills programs;
 - c) mitigating community conflict through support for civil society organizations.

[5.] Help Iraq Strengthen Its Economy – Agriculture

<u>Agriculture – Date Palm Shoots Distributed</u>:

The Agriculture Reconstruction and Development Program for Iraq (ARDI) distributed 800 date palm shoots to farmers in Muthanna governorate. This is one of many ARDI projects to restore southern Iraq's date palm orchards. Within four years, each shoot could produce up to 9,000 kilograms of dates per year.

[5.] Help Iraq Strengthen Its Economy – Tax Reform

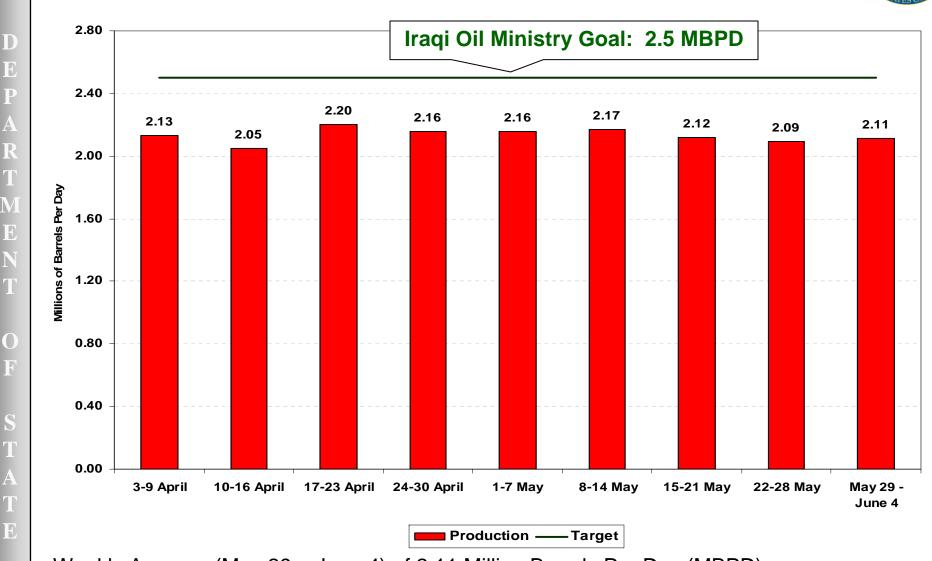


Tax Reform:

- Iraqi and foreign experts in taxation attended a conference organized by the Administration and Economics College of Babil University. The deputy dean of the college, Ahmed Khalil, said that the conference discussed current taxes and the possibility of imposing new ones to support Iraq's social and economic development.
- The Babil Governorate Council recently imposed a fuel tax and is allocating the revenues to social and economic projects. The tax is 250 Iraqi dinars per person filling their car with gas. Gas stations collect the tax, issue a receipt to the car owner and then deposit the money in a bank. The revenue will be allocated as follows: 5 percent to poor families, 10 percent to victims of terrorist acts and 85 percent to cover the expenses of small projects in the governorate.

[5.] Help Iraq Strengthen Its Economy – Crude Oil Production

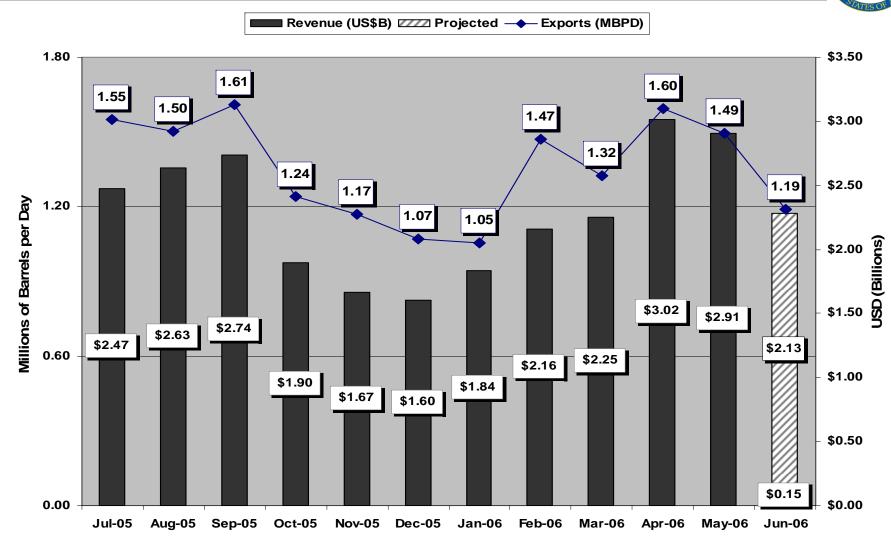




• Weekly Average (May 29 – June 4) of 2.11 Million Barrels Per Day (MBPD)

[5.] Help Iraq Strengthen Its Economy – Crude Oil Export



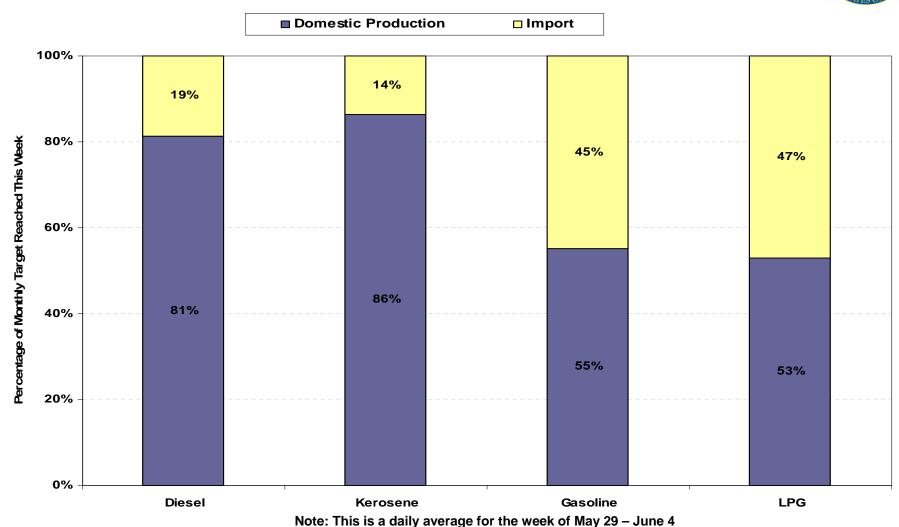


• 2005 Revenue Estimate: \$23.5 Billion

• 2006 Revenue Estimate: \$12.3 Billion (Year to Date)

[5.] Help Iraq Strengthen Its Economy – Total Critical Refined Product Supplies





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• Diesel: 16.1 ML supply of 20.0 ML target

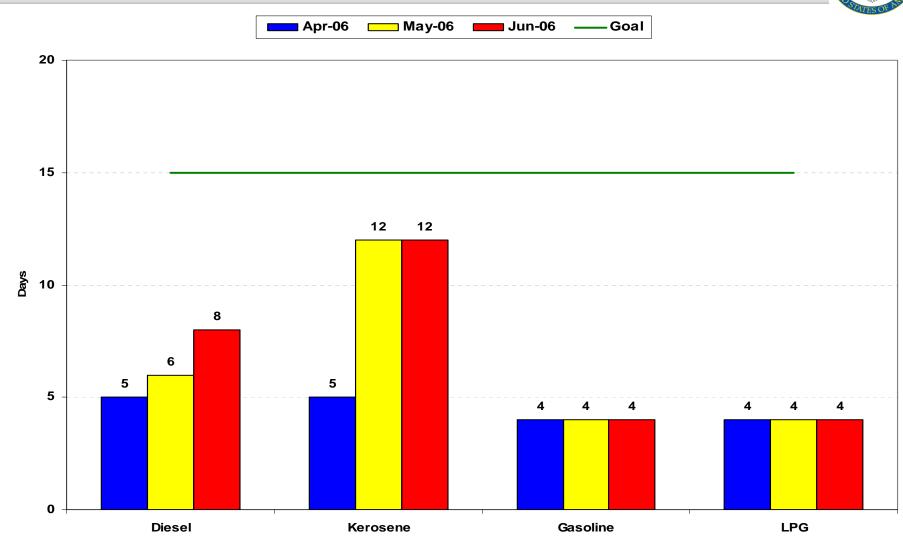
• Kerosene: 5.1 ML supply of 5.5 ML target

Gasoline: 17.9 ML supply of 20.5 ML target

• LPG: 3,317 tons supply of 4,500 tons target

[5.] Help Iraq Strengthen Its Economy – National Stock Levels





• The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights— Iraqi Judicial System



Saddam's Former Intelligence Chief Tossed From Court:

- The chief judge in Saddam Hussein's trial threw the ousted Iraqi leader's intelligence chief out of court May 31 during a heated argument after the defense accused the prosecution of trying to buy testimony from a witness. The confrontation came as defense lawyers stepped up their attempt to undermine the prosecution case, demanding that all its witnesses be re-examined to determine whether they were telling the truth. The lawyers also said that if some of the Shiites whom the defendants are accused of killing are still alive, then all of the documents that prosecutors presented should be reviewed.
- Tension in the court grew when one defense witness, testifying from behind a curtain, claimed that chief prosecutor Jaafar al-Moussawi tried to bribe him to testify against Saddam over a crackdown launched against Shiites in the town of Dujail in 1983. The witness said he and his father were arrested in Dujail but released. He said that in 2004 he met al-Moussawi and went on to recount his story. Al-Moussawi "told me, 'This testimony will not serve the Iraqi people. We want to sentence Saddam to death.' He gave me \$500," the witness said. "He told me to say that my father was arrested and killed in detention." Al-Moussawi accused the defense of making up the testimony and demanded the witness face criminal charges.

<u>Iraqi Police Training Courses Graduate</u>:

• The Iraqi Police Service completed the three-week Officers Transitional Integration Program and Transitional Integration Program courses and graduated 37 students in Baghdad and Mosul. The Iraqi Police Service trained 181 police officers in advanced and specialty courses held at the Baghdad Police College. The courses included basic criminal investigations, interviews and interrogations, violent crime investigation, basic drug investigations, and internal affairs investigations.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights— Iraqi Judicial System



In Corruption, New Government of Iraq Faces Old Foe:

- Corruption is among the most critical problems facing Iraq's newly formed government, US and Iraqi officials say. Moments after announcing most of his new Cabinet on June 3, Prime Minister Nuri al-Maliki declared that fighting corruption would be one of his main priorities.
- US and Iraqi officials say endemic graft and conflicts of interest await Maliki everywhere he turns. "We are seeing corruption everywhere in Iraq, in every ministry, in every governorate," said Judge Radhi Radhi, head of the Commission on Public Integrity, Iraq's anti-corruption agency. Radhi said the Defense Ministry officials spent \$1 billion on questionable arms purchases.
- The Interior Ministry has at least 1,100 ghost employees, costing it \$1.3 million a month, adding that corruption in Iraq is not new. Yet many experts believe that the situation has worsened dramatically since the war began. "Corruption thrives in a context of confusion and change,"
- Transparency International, a nongovernmental anti-corruption monitoring group, said in a report last year. "In Iraq, public institutions are even struggling to find out how many employees they have on their payrolls," the report says. "Obvious institutional safeguards are yet to be put in place, and ministries and state companies lack proper inventory systems."

[7.] Increase International Support for Iraq – Developments



UN Condemns Violence against the Innocent:

• The United Nations Assistance Mission in Iraq (UNAMI) voiced deep concern about continuing acts of violence committed against innocent civilians in the country – most recently the deadly attack on the Russian Embassy. Reacting against the almost daily occurrence of such high levels of violence, "from which even houses of worship are not immune," UNAMI noted that they are having a severely adverse impact on the fabric of society.

IFC Workshop for Businesswomen:

 Iraq Officials from the Ministry of Tourism and Antiquities recently negotiated with their Egyptian counterparts on the possibilities of tourism cooperation between the two countries. The negotiations will be followed by the signing of a memorandum of understanding. The draft of the memorandum includes mutual participation in conferences, exhibitions, and festivals that will be held in both countries.

[7.] Increase International Support for Iraq – Contributors to Iraqi Stability Operations



Data as of May 26, 2006

28 Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Lithuania	Romania
Armenia	Estonia	Macedonia	Singapore
Australia	Georgia	Moldova	Slovakia
Azerbaijan	Italy	Mongolia	South Korea
Bosnia-Herzegovina	Japan	Netherlands	Ukraine
Bulgaria	Kazakhstan	Poland	UK
Czech Republic	Latvia	Portugal	
Denmark			

TOTAL ~ 20,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

34 Countries and NATO*

(including US)

Support Iraqi Stability Operations

[8.] Strengthen Public Understanding of Coalition Efforts and **Public Isolation of the Insurgents – Developments**



Strategic Communications:

Prime Minister Maliki announced the death of Abu Musab al-Zarqawi, the leader of Al Qaida in Iraq, saying that his death was "the result of the fruitful cooperation we have often requested from our masses, citizens, and the sons of our people, who cooperated in giving information and facilitating the operation by Iraqi Police and the multinational forces in directing the fatal, precise blow." He continued by saying that the death of Zarqawi served as a message to "all those who pursue violence and destruction" and urged them to "stop, reconsider their position, and return to their senses before it is too late because we have made our decisions and we will go ahead, God willing, until the end to face the murderers and terrorists."

[8.] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents – Developments



Strategic Communications:

- Speaking at the Finance Ministry Budget Process Retreat Reception on May 31, Ambassador Khalilzad stressed the importance of security funding in the Iraqi budget, saying that it was "important to think about the [Iraqi] Prime Minister's priorities when composing the substance of the Iraqi budget. Because security is fundamental to all other progress, there needs to be adequate funding of Iraq's security forces. It is important that adequate resources for maintaining the projects that are being completed as part of the reconstruction program being funded by the United States, United Kingdom, and others. Putting Iraq on the right trajectory with regards to its finance and economy also requires making it attractive to private sector investment and a part of the international community."
- Flyers have been distributed to Baghdad universities, calling for female students
 to "wear the veil" and dresses, with no pants or make-up. There have also been
 reports that flyers are instructing males not to wear shorts, nor wear their hair or
 beards in a western style; and calling for females not to drive cars. Some
 students, especially females, have become fearful of possible acts of violence
 against those who do not abide by the demands made in the distributed flyers.

Special Addendum: Provincial Reconstruction Teams (PRT)



PRT Mission Statement:

 To assist Iraq's provincial governments with developing a transparent and sustained capability to govern, promoting increased security and rule of law, promoting political and economic development, and providing provincial administration necessary to meet the basic needs of the population.

Provincial Reconstruction Team Concept:

 The PRT concept was developed to improve on Regional Embassy Office (REO) and Provincial Support Team (PST) programs. The PRTs are a civil-military operation led by the civilians with extensive support from US and Coalition Forces. The PRTs are an integrated capacity-building effort built around Local Governance Program (LGP) and include support from other agencies to cover all key capacity development needs.

PRT Operations Status:

PRTs have been established in Ninawa, Babil, Kirkuk, Baghdad, and Anbar province. The teams are comprised of representatives from the US Department of State, United States Agency for International Development, Multi-National Force – Iraq, Department of Justice, Gulf Regional Division of the Army Corps of Engineers, Multi-National Corps – Iraq and Coalition partners.

Interested in working in Iraq?

Please visit http://careers.state.gov/opportunities/iraq/index.html for a list of available positions

Iraq Weekly Status – General Information



• This brief draws from multiple sources. References are cited on the following pages.

• Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov

Notes and Source Citations (1 of 3)



Slide 5:

- Defense Link, American Forces Press Service: June 5, 2006 (http://www.defenselink.mil/news/Jun2006/20060608 5362.html).
- Press Release MNF-I: June 4, 2006-Release A060604d (http://www.mnf-irag.com/Releases/2006-06/060604d.htm). Slide 6:
 - Press Release MNF-I: June 6, 2006-Release A060604d (http://www.mnf-irag.com/Releases/2006-06/060606a.htm).
 - The Advisor, MNSTC-I: June 3, 2006.
 - The Advisor, MNSTC-I: June 3, 2006.
 - The Advisor, MNSTC-I: June 3, 2006.

Slide 7:

DoD Input to Iraq Weekly Status Report June 7, 2006

Slide 8:

- http://hosted.ap.org/dynamic/stories/I/IRAQ_TROUBLED_TWO_WEEKS?SITE=KFWB&SECTION=HOME&TEMPLAT E=DEFAULT
- http://news.yahoo.com/s/ap/20060606/ap_on_re_mi_ea/iraq_060604184333;_ylt=AiwScGA.rd7yuCYEyDTnl6xX6GMA; _ylu=X3oDMTBiMW04NW9mBHNIYwMlJVRPUCUI
- http://today.reuters.com/news/newsArticle.aspx?type=topNews&storyID=2006-06-06T100342Z_01_GEO634121_RTRUKOC_0_US-IRAQ-MALIKI-RELEASES.xml&archived=False

Slide 9:

NEA Political Section, NEA-I-POL-DL@state.gov

Slide 10:

- IRMO Weekly Report, June 6

Slide 11:

 The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 12:

Water

- USACE Daily Report June 2IRMO Weekly Report May 30

Notes and Source Citations (2 of 3)

Slide 13:

Water

- IRMO Weekly Report May 30IRMO Weekly Report May 30

Slide 14:

Education

– USACE Daily Report May 31

<u>Transportation</u>:

– USACE Daily Report June 1

Slide 15:

Oil Prices:

Oil Prices are sourced from Bloomberg

Employment Update:

- Information regarding the Employment Update was sourced from the IRMO Weekly Report June 6, 2006
- CERP has not reported figures for some time. Until they report accurate data, the number will remain at 0.
- PCO will be reporting on a bi-weekly basis.

Slide 16:

Information regarding the NID auction was gathered from the Central Bank of Iraq's website: http://www.cbiraq.org.

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Slide 17:

Iraqi Bond Prices are sourced from Bloomberg

Slide 18:

Embassy Baghdad Joint Public Affairs Guidance, May 11-17

Slide 19:

Embassy Baghdad Joint Public Affairs Guidance, May 11-17

Slide 20:

Embassy Baghdad Joint Public Affairs Guidance, May 4-10

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Slide 21:

-Department of State, NEA-I-ECON, 202-647-9885

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—International Criminal Investigative Training Assistance Program Weekly Report, 27 May 2006

Slide 26:

-LA TIMES Press Release, In Corruption, New Government of Iraq Faces a Tough Old Foe

Slide 27:

-http://www.un.org/apps/news/story.asp?NewsID=18739&Cr=Iraq&Cr1=russian

-Izdihar, Iraq Businiess News, 27MAY06

Slide 28:

-DOD Input to Weekly Status Report, updated bi-weekly

Slide 29:

-Transcript FBIS "Iraq Prime Minister al-Maliki announces the death of al-Zarqawi" Dubai Al Arabiya Television Slide 30:

-News Release "Ambassador Khalilzad Remarks for Finance Ministry Budget Process Retreat Reception", May 3

-Al Bayyna Al Jadidah Newspaper "Flyers' At Baghdad's Universities Call for Female Students to Wear Veils," June 5 Slide 31:

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